

Committee: ECOFIN Advanced

Topic: Human Capital Flight

### **Resolution A/1**

*Deeply concerned* by the economic devastation left behind by mass emigration of highly-educated and skilled persons in the course of human capital flight,

*Noting with deep regret* the financial effects of human capital flight amounting to near \$50 billion USD lost through illicit flow per annum, and the lack of comparable official development assistance (ODA) to aid in the recuperation of the impact of such flows on LDCs' development and political agendas,

*Reaffirming* the actions taken by the United Nations Economic Commission for Africa of a High-Level Panel on Illicit Financial Flows from Africa to research the nature, scope, and channels of illicit capital flight and to mobilize support of regional and international policies aiming to curb outflow,

*Deploring* the loss of educational capital in highly skilled emigrants to the United States amounting to \$640 million USD in 1990 alone,

*Conscious* that the continent of Africa remains in a vicious cycle of poverty, disease, and malnutrition due to the draining of human capital by exodus of skilled workers and by conglomerates in their exploitation of the legal and monitoring weaknesses in LDC governments,

*Guided by* Article 12 of the United Nations Code of Conduct on Cooperation in Combating International Tax Evasion of 2012 which established that, "the tools of [capital flight] that have accompanied globalization are undermining the ability of developing and emerging countries to mobilize domestic resources for development,

To the General Assembly,

1. Encourages the coordination and funding of an in-depth study on the roots of illicit capital flight from LDCs, the specific motives motivating human exodus, and the effects thereof on human rights and living standards:
  - a. Working through a coalition drawing technical expertise from the United Nations Human Rights Council (UNHRC) Working Group on Business and Human Rights and the UN Intergovernmental Working Group on the Right to Development,
  - b. Aiming to focus on the social, cultural, and economic catalysts to human capital flight and moving to assess the balance of benefits and harms of capital flight as well as the stimuli behind remittances and emigrant returns;
2. Urges member states to develop integration policies for immigration, particularly focusing on education, employment, and social cohesion programs to help mitigate inequality and discrimination and to provide a safe place for emigrants to arrive;

- a. Requesting cooperation with the NGO Committee on Migration, International Organization for Migration, and UN Committee on Migrant Workers through a consultative relationships,
  - b. Drawing from commitments made in the Declaration for Refugees and Migrants (GA/11820) to guide the creation of legislation,
  - c. Asking nations to repeal legislation hindering transfer of remittances to home countries, and to support immigrants in their intents to move home,
  - d. Endorsing the adoption of The Return of Qualified African Nationals (ROQAN) program through the International Organization for Migration (IOM) and the UN Economic Commission for Africa (UNECA) to match skill needs by government, institutions, and the private sector with candidates willing to return home;
3. Resolves to harness the global knowledge system to enhance quality and fill gaps in faculty expertise not regionally available by:
  - a. Providing adequate research facilities through partnerships with large foreign universities establishing smaller branches or programs in LDCs to bring students into contact in order to learn from one another in field research,
  - b. Calling on nations and institutions to engage in international partnerships to provide multicultural, broad opportunities in research and education,
  - c. Inviting emigrants to participate in the diaspora through the IOM initiative, “Migration for Development” which enlists emigrants for development activities such as skill sharing, teaching, mentoring, and working in public service in the region temporarily,
    - i. Furthermore supporting economic return in which emigrants invest in home opportunities,
  - d. Recommending the integration of information technology to increase competition in education by lowering costs and indoctrinating global knowledge standards;
4. Calls for the creation of regional Coalitions for Education to make a collective initiative supporting easier labor mobility within regions to promote growth opportunities, and bolstering the scope of retention of skilled personnel:
  - a. Encouraging regional fast-tracking of education and work visas, and commending the Visa Information System (VIS) of Schengen States in its efficiency to exchange visa data and to allow regional citizens to work freely in agreeing states,
  - b. Stressing more efficient interaction between peers through professional networks,
  - c. Allowing the pooling of scarce resources such as faculty in order to sustain the quality of higher education and to prevent atrophy of skills;
5. Asks member states to enhance capacity for training and retain skilled manpower by mean of reforming tertiary education systems through:
  - a. Reducing the instances of quota systems to instead necessitate merit and qualification in universities,
  - b. Sharpening responsiveness to the rapidly changing needs of society and offering more useful classes by becoming more flexible to substitute for alternative skill markets and forming program structures tilted towards professional courses,

- c. Introducing demand-driven courses to help accommodate changes in market demand,
  - d. Promoting vocational trade schools through subsidies and education incentives to shift the general population toward more skilled work and to provide opportunities for leadership and entrepreneurship,
    - i. Furthermore heightening returns on investment,
  - e. Offering independent certification to meet international standards and to help the relocation of foreign companies and returning graduates through:
    - i. Sponsoring external examinations and foreign collaborations, and,
    - ii. Working with the Association of African Universities and Association for the Development of African Education, and similar regional blocs for education;
6. Invites emigrants to participate in their home diaspora through the extension of programs enlisting natives to work temporarily or permanently in skilled positions for the development of their home nation:
  - a. Welcoming emigrants to participate in the extension of the International Organization for Migration initiative, “Migration for Development” which enlists emigrants for development activities such as skill sharing, teaching, mentoring, and working in public service in the region temporarily,
  - b. Supporting the construction of Economic Return Programs through the IOM to aid emigrants invest in home opportunities and transfer indirect remittances,
  - c. Asking NGOs and UN programs to deploy qualified emigrants to work for foreign expert programs for technical assistance, raising skills:
    - i. Noting that the cost of technical assistance would be lower or equivalent;
7. Reaffirms its commitment to the implementation of anti-discrimination labor and education laws which promote job opportunities irrespective of caste, creed, race or nationality, and furthermore endorsing international allegiance to the International Covenant on Economic, Social and Cultural Rights and applauding the actions taken by the UNHCHR Committee on the Elimination of Racial Discrimination;
8. Emphasizes the need to raise demand for skilled manpower in regions susceptible to human capital flight through the development of private-sector growth predominantly achieved by foreign direct investment by multinational corporations:
  - a. Partnering with the United Nations Conference on Trade and Development (UNCTAD) to structure specialized frameworks to attract foreign investment to the country or region in question, primarily through negotiation of business taxes and company incentives to aid conglomerates in relocation,
  - b. Lauding the success of Special Economic Zones (SEZs) in China and India in the last 30 years, and taking note of their potential in nations with high political tension and concentration of Violent Non-State Actors (VNSAs) where zones could be moved from tense areas and protected by the militia,
    - i. Noting their utility in attracting investment in regions with more liberal economic laws without adjusting the overall domestic legislation,

- c. Strongly recommending the implementation of risk mitigation instruments such as investment guarantees to help mitigate the poor investment reputation of many LDCs including political confiscation and expropriation, inability to transfer mobile assets or proceeds, and risk of contract repudiation or asset losses due to political violence:
    - i. Calling for intervention by the World Bank Multilateral Investment Guarantee Agency on behalf of the investor and lender as a 3<sup>rd</sup> party dealing with currency inconvertibility, breach of contract, expropriation, dispute resolution, and insurance coverage,
    - ii. Further drawing expertise from the World Economic Forum,
  - d. Endorsing the repeal of legislation permitting mass state ownership of backbone industries, and instead recommending the opening of markets to public investment, and thus involvement,
  - e. Encouraging the spread of advanced technology through international investment in both technology and energy sectors;
9. Endorses the professionalization of the public sector in order to improve functionality of government and confidence in markets by both private investors and the constituency;
- a. Reintroducing meritocracy in public service through elimination of political machines and patronage systems and establishment of civil service reform,
  - b. Increasing government transparency and reducing excessive bureaucracy to help enhance the functionality of public service delivery and the reduction of risk costs for companies by:
    - i. Pursuing institutional rationalization,
    - ii. Encouraging legislation mandating politicians file their tax returns publicly,
    - iii. Working with the GA 6<sup>th</sup> Legal Committee and the Global Anti-Corruption Coalition (Transparency International),
  - c. Utilizing the positive effects on the demand and supply for skilled workers to trigger a rise in qualifications for entry into public service.

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## **Resolution A/2**

*Acknowledging* documents like the 2016 Human Capital Report published by the World Economic Forum, which analyzed one hundred and thirty economic regions and has determined that the top ten human capital-efficient nations focus efforts towards higher education for their youth,

*Alarmed* by the two hundred million unemployed people worldwide, seventy-one million of which are youth workers according to the International Labor Organization (ILO), who have not been assisted in entering the labor market,

*Determined* to educate the one hundred thirty million girls denied formal schooling, approximated by the United Nations Educational, Scientific, and Cultural Organization (UNESCO) in its 2016 Global Education Monitoring Report,

*Recognizing* the lack of resources and stability in developing nations to create and attract a substantial professional population for its needs, like in Somalia which has suffered a civil war since 1991 as well as in Syria, which has lost,

*Further* recognizing the aging professional populations of developed nations like Germany and Japan that have had trouble replacing workers due to their low birth rates, which both are about eight children per one thousand people,

To the General Assembly,

1. Endorses the Create, Attract, Retain, and Enable (CARE) Plan to help nations, especially those developing, in:
  - a. Creating human capital through improvement of education curriculum and access, especially in nations like Pakistan where eight percent of all citizens attend university, using methods like:
    2. preparatory vocational training for college students,
    3. advocating for women's rights to education,
  - a. Attracting human capital from other countries and professional workers by cultivating better living conditions and work environments,
  - b. Retaining human capital through stabilization of country conflicts, reduction of crime rates, or heightened safeguards and benefits to protect workers from harm as well as provide them with necessities,
  - c. Enabling human capital by promoting tolerance, relaxing migration laws, and funneling investments towards nations with decreasing specialized populations;
4. Suggests nations alter their school curriculums to offer more basic computer knowledge, especially since organizations like the World Economic Forum predict the dawn of a Fourth Industrial Revolution that will further cause the international community to rely

on technology and the work done on computers is highly versatile, allowing for programmers and software engineers to be able to work from anywhere in the world;

5. Reminds countries to support the all-inherent right to education, especially its reiteration in Article 10 of the Convention on Elimination of All Forms of Discrimination Against Women, so that a larger professional workforce will be built up for nations in such measures as:
  - a. Societal pressure and stigma relief through partnership with syndicates like the women's rights division of Human Rights Watch (HRW) and the Working Group on Women, Peace and Security coalition,
  - b. Regional surveys, preferably based on school districts if existent, of how many female students attend school,
  - c. School inspections to make sure that the female student populations measured inside and outside of institutions match;
  
6. Calls upon countries to provide incentives to attract and retain human capital by:
  - a. Developing infrastructure like low-income housing,
  - b. Relaxing migratory laws and restrictions;
  
7. Anew recognizes the need for incentives and resources to encourage countries to take the actions listed in this resolution, even when nations' economies will benefit well from investing into human capital, including:
  - a. Monetary compensation through the World Bank.

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### **Resolution A/3**

*Recognizing* the recent relaxation of the international immigration policy,

*Recalling* the discussion during the UN Conference on Trade and Development... (2010), on expanding the impact of financial capital sums on migration to aid nations affected by a loss of human capital and help increase their economic growth,

*Identifying* the World Health Organization and UN's report... (2006), stating that international human capital flight lessens the quantity of good healthcare worldwide,

*Expecting* cooperation from all countries to enforce policies encouraging a reasonable amount of migration without harming their citizens,

*Wishing* for all nations to maintain a sustainable economy and eventually, grow into an advanced one;

To the General Assembly,

1. Urges countries to enforce a balanced migration policy to:
  - a. encourage sustainable amounts of migration for economic success without:
    - i. jeopardizing their economic sustainability and human capital by being too liberalized,
    - ii. discouraging migration by being too conservative and strict,
  - b. equalize the number of human capital coming into and leaving each nation under all areas of work,
  - c. prevent an economic downfall in developing countries caused by an abundance of human capital loss;
  
2. Recommends signing a deal between the government, corporations, and human capital in developing countries to:
  - a. provide human capital support from the government throughout their time working in the developing country, such as:
    - i. training in their area of expertise,
    - ii. education,
    - iii. incentives from resources,
  - b. require human capital to experience at least two years of work in their origin country in order to migrate to an advanced nation,

- c. investments in improving working and living conditions for human capital;
3. Suggests that developing countries recreate their training programs to:
    - a. keep the workers' focus on improving their own nation by:
      - i. understanding the educational and economic motives of human capital flight,
      - ii. discovering the cultural, political, and religious reasons behind the migration,
    - b. demonstrate the knowledge, expertise, and perspectives to effectively improve national development,
    - c. make an attempt at responding to urgent national needs, which differ in each nation;
  4. Requests that developing countries choose students from rural and local communities for student selection and scholarships for health institutions to hire workers who:
    - a. who are committed towards serving their own city or community,
    - b. feel responsible for the wellbeing of their families,
    - c. won't want to migrate and leave their nation behind,
    - d. contain knowledge of:
      - i. the advantages and strongest areas of the economy,
      - ii. the areas needing the most work and improvement;
  5. Encourages converting resources used for supporting human capital flight into tax incentives to:
    - a. reduce the taxes of human capital in developing countries in exchange for:
      - i. their participation in the workforce,
      - ii. loyalty to the country.
    - b. pursue all sectors of the nation to participate in the implementation of developing nations,
    - c. recruit foreign corporations and direct investments from developed nations;
  6. Enforces an agreement between developing and developed nations to:
    - a. limit human capital flight into a developed country coming from a nation with a shortage by:
      - i. allowing human capital flight once the developing nation is economically
      - ii. stable,
      - iii. permitting human capital to migrate by choice after two years,
    - b. acquiring to receive an award of money to repay for loss of human capital,
    - c. lessen or stop entirely developed country advertisements of job opportunities;



7. Commends all developed nations to make a commitment of training more health experts to;
  - a. prevent a shortage of them, examples of nations already making an effort are:
    - i. Canada,
    - ii. the United Kingdom.
  - b. recruit and retain a greater number of medical students to rural conditions,
  - c. provide financial incentives for rural practice, such as:
    - i. tax incentives,
    - ii. Money;
8. Assists issuing non-extendable work visas to:
  - a. develop valuable skills of work in an advanced economy,
  - b. apply the skills to the source country which will:
    - i. improve areas of work,
    - ii. ensure economic stability,
    - iii. teach training programs and other human capital;
  - c. limit the period of time human capital can spend in a developed nation.

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### **Resolution A/4**

*Recognizing* the billions of dollars lost each year from human capital flight in developing Countries,

*Emphasizing* the education of younger generations in developing countries,

*Noting* the difficulty of starting businesses in developing countries,

*Recalling* the exploitation of H1-B visas in developed countries;

To the General Assembly,

1. Emphasizes the improvement of infrastructure in developing countries:
  - a. Allows for facilitated access to schools; meanwhile, increasing attendance,
  - b. Increases the number of educated people within the struggling country:
    - i. human capital flight will not have such a significant affect with a larger population of educated people,
  - c. Funded by NGO's and other organizations including:
    - i. UK Aid Direct, Regional Infrastructure Programme for Africa, and the Community Led Infrastructure Finance Facility;
  
2. Proposes the hiring of government employees in large, developed countries to better analyze to whom and why an H1-B visa is being given out:
  - a. Insuring the use of these H1-B visas will not be abused by large corporations:
    - i. Preventing corporations from importing unnecessary human capital from undeveloped countries,
  - b. Encourages the hiring of personnel from within the developed country:
    - i. Creating more jobs for the developed country's citizens,
  - c. Driving the human capital of the developing countries to remain in their country of origin;
  
3. Suggests the employment of the Teaching Abroad program founded by the CIEE:
  - a. Offers paid teaching positions for university graduates in developing countries:
    - i. Provides teachers with higher educations and more experience,
  - b. Promotes the immigration of human capital into these developing countries:
  - c. Allows more opportunities for children to learn:
  - d. Promotes attendance to school:

- e. Resulting in an increase in the number of educated people in these developing countries:
  - i. Decreasing the impact of human capital flight;
  
- 4. Recommends the reduction of business regulations in developing countries:
  - a. Makes the idea of creating a business more appealing to citizens,
  - b. Inspires citizens to aspire for an improved life with a higher paying job:
    - i. Increases GDP of the country,
  - c. Citizens who wish to create a business in these developing countries will be more
  - d. inclined to stay in their country of origin as starting a business in their home country will be much easier,
  - e. Additional businesses generate more jobs which results in an improved economy.

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## **Resolution A/5**

*Recognizes* to improve career, civilians move to different countries in hopes of a better life

*Understands* that human capital flight has led to decrease development in developing countries resulting in a weaker government

*Hopes* to decrease the overall human capital flight to prevent develop countries from experiencing brain drain and highly developed countries from facing brain drain

*Understands* the need to focus on education, training, and policy change to improve countries capabilities to provide skilled workers with incentives

1. Focus on improving education and training by:
  - a. Providing increase technology in the classroom,
  - b. Funded by Cooperative for Assistance and Relief Everywhere (CARE), who strives for
  - c. better education system by recognizing the need to help orphans, those affected by HIV/AIDS and child labor:
    - i. First by providing free lunch incentivizing student to stay in the classroom,
    - ii. Second by increasing the teachers training to improve classroom experiences,
  - d. College students from developed countries to teach and intern in developing countries:
    - i. Results in highly qualified teachers improving the overall education system in developed countries,
    - ii. Resulting in a higher surplus of intelligence students increasing country's capability
  
2. Improve training to increase skilled workers in developed countries by:
  - a. Using skill training programs to increase worker's capabilities:
    - i. 612 month training which provides placement and supports students to develop necessary skills,
    - ii. Designed to fit around workers scheduled aiming to increase job skills in places with high demand for workers:
      1. Small reward for completing the training,
  - b. Results in increase employment for both male and female workers;

3. Insures more transparency in government spending to prevent corruption by:
  - a. Government spending will be released to the public to ensure:
    - i. Governments will always spend a percentage of their GDP on education, training, medical facilities and infrastructure:
      1. By ensuring transparency and GDP spending, results in more educated civilians, skilled workers,
      2. Prevents workers from leaving affirm they'll have higher job opening in STEM field and infrastructure to support medical facilities,
  - b. Transparency in the government and increase job opening will prevent brain drain:
    - i. Increases economic benefits from taxes; creating a cycle of skilled or educated workers increasing more money spend on education and infrastructure.

Committee: ECOFIN Advanced

Topic: Overseas Tax Havens

### **Resolution B/1**

*Alarmed by* the estimation of US firms holding over \$2.1 trillion in order to avoid taxes, and alarmed by similar situations in other countries,

*Realizing* lax laws encourage foreign companies to create a tax haven within that country,

*Keeping in mind* countries right to sovereignty as documented under Article 2 of Purposes and Principles of the United Nations,

To the General Assembly,

1. Promoting awareness of tax havens through Tackle Tax Havens,
  - a. Which is linked with Tax Justice Network,
    - i. Which is an NGO that promotes transparency on government finance and awareness of harmful effects caused by tax evasion,
    - ii. Has established multiple organizations and programs to combat illicit finance and taxes,
  - b. Allowing the public to understand the harm caused by overseas tax havens,
2. Calling for the adoption of tougher laws on the ban of tax havens,
  - a. Understanding that most laws on tax havens have loopholes,
  - b. Focusing on countries considered “tax havens” including Switzerland, British Virgin Islands, and the Cayman Islands,
3. Encourages transparency of taxes in foreign governments to easily identify tax evasions with the help of Financial Transparency Coalition (FTC),
  - a. Which is a network of governments and experts who help governments prevent tax evasions,
  - b. Seeing as how transparency will allow governments to track where its companies are storing money for tax evasion,
  - c. Supported by 150 organizations and 14 governments to stop tax havens,
4. Realizing the money going to tax havens can be used for infrastructure and wishes to use country-by-country reporting to mitigate the harmful effects,
  - a. Noting that medium sized enterprises (SMEs) already report financial information by country, and calls for larger corporations and company to do the same by providing revenue and taxes under each country they operate in,
  - b. Ensuring that companies and corporations are not using tax laws in foreign countries to create a tax haven,

5. Endorses Finance Uncovered as a platform for reporting tax issues,
  - a. With 176 journalists reporting wrongdoings of governments and companies on illicit taxes
  - b. Over 90 articles have been produced since Finance Uncovered started three years ago,
  - c. Funded through Joseph Rowntree Charitable Trust and received a grant from Oxfam Novib to produce more articles on illicit finance.

Committee: ECOFIN Advanced

Topic: Overseas Tax Havens

## **Resolution B/2**

*Acknowledging* the billions of dollars lost worldwide each year due to the exploitation of overseas tax havens,

*Recognizing* the lack of laws to prevent the use of overseas tax havens,

*Noting* the absence of corporate taxes in commonly exploited small island nations;

To the General Assembly,

1. Suggests that countries require their overseas territories to create public records of the actual owners of companies:
  - a. Allowing law enforcement, journalists, civil society and the wider public to identify who is behind these companies,
    - i. Which will stop people from being able to hide illicit activities behind anonymously-owned companies,
    - ii. Also, causing companies to lose business due to the public knowledge of their illegal actions,
  - b. Permits countries to identify money launderers and pursue possible prosecution of those people or entities;
2. Proposes the creation of laws to condemn those who utilize overseas tax havens to jail time:
  - a. . Enforced by the country which the person resides,
  - b. Identities of those who violate the law would be revealed by the previously mentioned public records;
    - i. Allowing law enforcement to recognize the criminals,
3. Calls upon countries that are considered corporate tax havens to create or raise corporate taxes:
  - a. Abolishing the significant advantage that companies attain from utilizing these overseas tax havens,
  - b. The creation of these corporate taxes will be incentivized by proposed trade deals with other countries;
    - i. These trade deals would benefit the countries that would be instating the corporate tax increases by improving their economy and increasing their GDP





Committee: ECOFIN Advanced

Topic: Overseas Tax Havens

### **Resolution B/3**

*Recognizes* that tax havens causes huge amounts of money to not be put back into the country of its original location,

*Alarmed* by the amount of tax dollars diverted to a different country to avoid heavy tax fees,  
*Aware* that the policies on taxes must be justified and changed,

*Realizing* that Overseas Tax Havens affects the country's economy by large amounts,

To the General Assembly,

1. Suggests that government have cooperations with other countries to limit tax havens,
  - a. Create new policies that would let the other countries know about the tax funds transferred in and out
  - b. Having incentives to get the tax havens to divert certain amounts of money to the main country the company is in
2. Recognizes the importance of tax funds for countries that are less developed,
  - a. Asking tax haven countries to distribute a percentage of the funds to those countries
  - b. Using the Foreign Direct Investment (FDI) to exploit the countries who have affiliation with those companies
3. Affirms the use of organization to reduce tax havens
  - a. G20
    - i. Took global initiative that would pressure high tax haven countries such as Switzerland,
    - ii. Creating a bilateral transparency agreements with the threat of economic sanctions
  - b. Organization for Economic Cooperation and Development (OECD)
    - i. H created the Global Forum on Transparency and Exchange of Information for Tax Purposes
      1. Helps address the issue of tax evasions
    - ii. Makes effort to monitor and ensure the implementation of the transparency standards
  - c. Tax Justice Network (TJN)
    - i. Conducting research and publishing the field of international tax and financial regulations.
    - ii. Organization based in UK to have research on repercussions of tax evasions and tax havens

- iii. Launched the Financial Secrecy Index
  - 1. Describes the jurisdiction ranked by secrecy and capacity of the activities happening
  
- 4. Calls upon moving countries to comply with international tax standards created,
  - a. Global Forum created in 2009 called for naming and sharing the countries that will comply with regulations
  - b. Have three lists that each country would be placed in
    - i. White list countries that comply to international tax standards and have implemented them
    - ii. Grey list countries that have committed to international tax standards and have not fully implemented them
    - iii. Black list countries that have not committed to international tax standards and have not agreed to these standards set
  
- 5. Suggests that countries to place heavier fines on tax evasions
  - a. Removal of loopholes in the laws to prevent tax evasions
  - b. Increases fines by 50% to have an affect on large corporations
  - c. Have companies to provide a full report monthly on all transactions.

Committee: ECOFIN Advanced

Topic: Overseas Tax Havens

### **Resolution B/4**

*Affirming* the action taken by our country to list countries such as Ireland as tax Havens,

*Deeply concerned* with the actions of the U.S. which has worked well for them but provided a zone for companies and people from other countries to store money,

*Keeping in mind* the U.N. just this year has pushed countries to do more against people storing money overseas with a few delegates even calling for a whole separate committee to deal with the topic,

*Recalling* that the loss of money due to tax havens is “between \$7 and \$25 trillion of funds [...]” (UN),

*Fully aware* that from the panama papers we see that countries such as Luxembourg have major companies using their system, such as until 2015 Amazon,

To the General Assembly,

1. Declares that countries must create a multinational law code so that it is harder for people to put their money away in another country where it can't be taxed
  - a. Endorses the idea of making it so that no matter where the money is, whomever it belongs to still pays taxes on it from the country they live in;
    - i. Further reminds that if the money is transferred to another individual the transaction must be registered in the country they live in;
    - ii. Encourages that once the money has changed hands it is judged as income on the receiver's tax forms and they must pay a small fee for the transfer between countries along with paying the tax in the country they live in;
  - b. Condemns people/companies who do not report international transitions of money to the country they reside/operate in;
    - i. Considers the transfer of money needs to be required to be reported to the government in the country so that they understand the amount entering and investigate under unusual amounts of monetary flow;
    - ii. Expresses its hope that by having investigations in the monetary flow countries can be better informed of what type of people are moving money in and out of the country;
2. Encourages that studies be done repeatedly in countries over tax rates, economy, and income
  - a. Notes that when studies are conducted on the current economic state in a country it is more likely that the country will be able to see if there are any anomalies;

- i. Trusts that these studies will help countries see if anyone is using them to hide money or to evade law enforcement in regards to the amount of money
  - ii. Declares that if a person is found to have illegally stored money then a full investigation would be launched into that person and their connections to guarantee that those who try to evade the law are punished;
- b. Emphasizes that the amount of taxes must be looked at in comparison to the average amount of money going through the country;
  - i. Notes that if a country is found to have low tax rates for business that are disproportionate to standards then the country would be in complete violation of laws including that of the country in which the company is based;
  - ii. Further proclaims that when countries offer low tax rates compared to others then it is likely that companies will exploit it by setting up a major center for them there so that they do not have to pay their fair share and thus avoid ethical conduct;

3. Encourages counties to report each other over suspicions to create international investigations into possible illegal activity thus reducing the likelihood of using other countries to store money;

- a. Confirms that when money is transferred money can instantly go from person to person or business to business with little interference;
  - i. Proclaims that the transfer of money must go through the nations screening servers so that it can be analyzed if the money is just being stored in a hidden way to avoid having to pay proper taxes on the amount of funds;
  - ii. Notes that one or more of the countries may be okay with the person being able to store their money so as a check method they must also route their money through a third-party country or a dedicated NGO so that the odds of being able to get money out of the country illegally is decreased greatly;
- b. Expresses its hope that when a country or NGO finds a fault or something that seems suspicious monetary an international investigation will be launched;
  - i. Affirms that once a country contacts another an international investigation can begin that is overseen by the U.N. and country personal to make sure no international or country laws are broken in the process of gathering evidence;
  - ii. Further proclaims that if a country does not have the resources to investigate then then they may ask the U.N. or other nations to help them investigate the person(s) or company(ies) in question;

4. Calls upon the idea that a country that is shown to be allowing people to get by with violating the person's residence country then the country allowing will face sanctions

- a. Authorizes that when investigations as mentioned above are concluded if it is found that a country's laws allowed the person or business to violate the laws of where they live or are majorly located then that country that allowed it will face sanctions or fines;
  - i. Endorses the idea that when a country is proven to have allowed a person to deny their residence countries laws then that country must pay the country that it wronged the total sum of money that was lost over the amount of time that money was illegally being stored in their country whether it be with a private firm or government held;

ii. Declares that along with the country having to pay fines the company and or person must also pay fines to the government that they wronged with their actions so that all participants are punished in a matter that suits them and encourages them to correct the behavior.

Committee: ECOFIN Advanced

Topic: Overseas Tax Havens

### **Resolution B/5**

*Realizing* the devastating effects avoidance of tax payments through secrecy jurisdictions may wreak on the well-being of a government and economy, including the propagation of money laundering and illicit financial flow which contributes to Violent Non-State Actors (VNSAs) and drug cartels,

*Affirming* the Tax Justice Network's definition of a secrecy jurisdiction as "places that intentionally create regulation for the primary benefits and use of those not resident in their geographical domain... designed to undermine the legislation or regulation of another Jurisdiction,"

*Acknowledging* the scope of the United Nations' power and aiming to respect national autonomy, yet encouraging nations to ratify solutions for the benefit of the general public and international community,

*Deeply disturbed* by statistics cited in the March 2015 UN Conference on Trade and Development study on corporate tax in developing countries which estimates "developing countries lost around \$100 billion USD per year due to tax avoidance by multinational enterprises, and as much as \$300 billion USD in total lost development finance,"

*Expressing* its appreciation for the previous actions taken to mitigate the exploitation of tax havens and the effects thereof by the UNCTAD, UN Department of Economic and Social Affairs (DESA), the Committee of Experts on International Cooperation in Tax Matters, the Tax Justice Network, the Institute on Taxation and Economic Policy, and the US PIRG Education Fund,

To the General Assembly,

1. Calls to order the creation of an expert summit comprising national representatives, authorities on illicit finance prevention, and researchers and open working groups fighting secrecy jurisdictions in order to pool knowledge from a multinational perspective and work to create more uniform banking and taxation laws as well as to strengthen international cooperation and recommit to acting as a united front against tax evasion;
2. Requests the formation of an international coalition of developing nations within the 2<sup>nd</sup> ECOFIN or UNDESA to transmit information regarding financial and economic legislation and to aid in the development of taxation to prevent the exploitation of developing countries;
  - a. Calling on these committees, in addition to NGOs The Tax Justice Network and the Institute on Taxation and Economic Policy, to provide technical expertise on

structuring legal frameworks for the individual characters of nations to prevent tax evasion,

- b. *Aiming* to furthermore set broad, international policies across the coalition to prevent loopholes in the progress made,
  - c. . Promoting the use of partnerships between developed and developing nations to set up legal infrastructure and overview the implementation thereof, as well as to provide experience in strengthening institutional capacities such as the internal tax system and to aid in setting precedents for trials against illicit investors;
3. Recommends nations take measures to enact transparency in accounting measures nationally and internationally to promote equitable taxation by:
- a. . Instituting country by country reporting which requires multinationals to break down profit information by country of operation in the annual report of profits open to investors, shareholders, and government authorities,
    - i. Obligating nations list profits by location, including tax havens,
  - b. Deploring the efficacy of the OECD in discovering the personal information of tax evaders and instead recommending the OECD and regional blocs adopt a system of Automatic Information Exchange in which some information on citizens is shared automatically and may be accessed by government authorities,
    - i. Creating an international database,
    - ii. Enlisting the aid of the UN DESA and the UN Commodity Trade Statistics Database (COMTRADE) to securely store basic information on the constituency,
  - c. Further requiring all known secrecy jurisdictions to join this international database at the threat of defensive countermeasures portioned by the UN Security Council,
  - d. Supporting national registries accessible to the public and to the Automatic Information Exchange Database identifying all executives with stakes in corporations to ensure disclosure of true beneficial ownership of companies;
4. Suggests the implementation of unitary taxes in order to hold multinational corporations accountable by the real economic substance of their location as opposed to the portrayed division of profits;
- a. Asking nations to first establish country by country reporting to necessitate the annual profit reports of multinational companies to include a breakdown of the revenue by location, including international interests and confirmed tax havens,
  - b. Shifting the ability to tax to the nation(s) where:
    - i. The workforce is based,
    - ii. Assets are held, and
    - iii. Resources are obtained,
  - c. Creating a more equitable division of taxation and preventing the exploitation of tax havens without substantial legitimate business,
  - d. Shedding the traditional territorial and deferral taxation systems in favor of a “full-inclusion” system worldwide to help mitigate the motive behind double non-taxation,



e. Allowing the public, government, and company shareholders to hold companies accountable for their due taxes;

5. Asks member states to render participation in secrecy jurisdictions illegal and to try the crime as tax evasion;
  - a. Promoting the use of internal tax systems to prosecute illicit flow of funds,
  - b. Regarding tax evasion as a crime on par with money laundering, and aiming to include it in efforts by member states and the International Monetary Fund (IMF) to mitigate instances of drug money laundering and funding of VNSAs,
  - c. Further identifying intermediaries, facilitators, lawyer or bankers complicit in the laundering of money through tax evasion as triable under the law and illuminating the role financiers have in drug trafficking, human trafficking, and terrorist organizations,
  - d. Permitting the holding of funds in foreign nations constituting secrecy jurisdictions only under the circumstance that the person holding the account maintains citizenship in the nation, or that the corporation has business interests there which fall under a unitary tax;
  
6. Resolves to hold banks accountable for their international affairs by specifically cracking down on international banking legislation and involvement with tax havens through:
  - a. Condemning banks' risky and speculative behavior involved in tax havens, such as portfolio managements and structured finance instruments,
  - b. Requiring banks to disclose basic information on their activities and the taxes they pay within each country they operate,
  - c. Criminalizing the instances of bank-owned offshore subsidiaries which possess no staff,
  - d. Instructing nations to reform laws on profit-shifting and profit-sharing by cross-border operations as their complicity is often used to minimize taxes imposed in both home and foreign countries,
  - e. Stressing the need for developed countries to tighten legislation on transfer pricing of transactions between subsidiaries and anti-avoidance rules,
  - f. Expressing its resolve against "double non-taxation" brought around by the agendas of the OECD, the G8 and the G20.